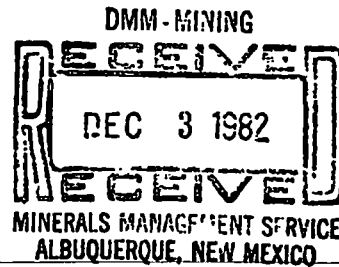


Confidential Claim Retracted

Authorized by: SE

Date: 6/26/13



QUESTION #10

Please provide a report on the amount of damage that has been caused to the homes in Paguate by blasting at the mine. The report should also address the repairs that have been and will be made to these homes.

RESPONSE #10

We have recently completed analyses of our seismographic records of blasts during our mining operations in the vicinity of Paguate Village from 1961-1982, and a study of blast effects on structures. These analyses and the study confirm that there is no basis for damage (and no damage) to the homes in Paguate Village from our mine blasting activities.

During the 1961-1982 period, the Company has spent in excess of \$1.6 million on activities associated with the Paguate Village. The expenditures consist of:

1. House repair and improvements (1963-1982)

Labor	\$1,106,375.52
Materials	<u>198,310.66</u>
	\$1,304,686.18

This cost does not include the cost of materials supplied by Village housing occupants that were used in housing improvements during the years 1968-1982, but does include labor costs for installing such materials. The cost of these materials (not an Anaconda cost) is at least \$51,000 and may be 3 to 4 times this amount.

2. Village road improvements (1974-1975)

\$224,263.47

3. Seismograph operation (1961-1982)

\$88,657.11

Although Anaconda has, at times, carried some of this work on the books as alleged blast damage, and the residents of Paguate have experienced secondary sound effects associated with blasting, there is no evidence of bonafide blast damage to any building or structure in Paguate Village resulting from our operation, and that work conducted by Anaconda was for purposes of maintenance, improvements and for causes other than our blasting. The work done by Anaconda in the village was conducted in the sense of public relations and assistance to the Laguna people in association with our presence at the Jackpile-Paguate Mine.



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RESPONSE #10 (Continued)

Because of cessation of our mining operation in the vicinity of Pagate Village, and considering the findings of our review, analyses and study, Anaconda proposes no further repair, maintenance or improvement work at the Pagate Village.

The study by Lewis L. Oriard, Inc., Report of Investigations, Seismic Effects of Blasting Operations of Anaconda Minerals Company on the Village of Pagate, New Mexico, 12 August 1982, is attached.

mls